

How to Interpret City Rankings?

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A recent post by Jeremy Kelly out of JLL's London office caught my eye. He was promoting a recent piece of work his team had done on "Global Top 20: Innovation & Talent" featuring the top 20 cities in this sphere. It is actually a small part of a larger research project they had done to look at 300 cities across the globe and group them by areas of focus and success. But before I dive too deep into that report, I want to address the question, "Are these sorts of reports useful?"

Avoid "Listicles"

A few years ago I learned about what I believe is a relatively recent invention, the "listicle." They are articles with a number in the title and structured around this "list", such as "Top 5 ways to get a promotion." Listicles have become especially popular online where they garner clicks, but often don't teach the reader much. Fine for popular topics perhaps, but for government leaders or urban planners trying to learn how to improve a city or attract companies, these sorts of articles with very shallow data behind them are meaningless. That is not the case for the article I mentioned. Jeremy and his team have loads of data at their site: cities-research.jll.com

Consider the Source

Next consider who is the author and what is their motivation. In the case of JLL, a group I used to work with, they are a real estate consultancy, so their lists lean towards rankings that include size of real estate stock (how much has been built) and transactions (how much has been sold), so cities like Tianjin that have relative small amounts of real estate stock compared to their population may not rank particularly high. Likewise, a company or organization focused on environmental factors may rank cities with little heavy industry quite high, but a place with no jobs and loads of trees might be a great place to visit, but not live as it might lack jobs. And, if the rankings just don't correspond with your gut feel about a topic you know well, dig into the data and try and figure out why. You might get a new insight that you had missed before.

Look for Improvement

If a specific set of rankings are deemed relevant by the public, government or industry leaders, it will be updated periodically. In that case, see how the city is trending. City leaders who get feedback and then work to improve, will see their rankings rise over time across a range of areas. Alternatively, recent revelations that some Chinese cities were trying to game the pollution rankings by tampering with the equipment or understating their pollution levels, should make one skeptical not only of the pollution rankings, but of most things those city leaders claim to have been doing. And remember some things can't be fixed easily. I was heartened by a plan announced by the Tianjin city leaders a year or so ago

where they were going to open up the hukou or household registration rolls to young professional staff who were willing to bring their talent to Tianjin. Offering young talented folks a path to home ownership and local residency in order to build a long term professional workforce is a goal that may not achieve immediate success, but should be saluted.

The Rankings

So, what do the rankings show? Below I share the list of innovative cities and then although Tianjin doesn't make the first list, which I don't think should surprise us, I extract some other things the website does say about Tianjin.

Global Top 20: Innovation & Talent			
<i>Innovation</i>		<i>Talent</i>	
1	San Francisco	1	London
2	Tokyo	2	San Francisco
3	Singapore	3	Washington DC
4	Beijing	4	San Jose
5	London	5	Seattle
6	San Jose	6	Boston
7	Paris	7	Sydney
8	New York	8	Paris
9	Boston	9	Oslo
10	Seoul	10	Melbourne
11	Shanghai	11	Zurich
12	Los Angeles	12	Austin
13	Munich	13	Denver
14	Shenzhen	14	Helsinki
15	Seattle	15	Edinburgh
16	Sydney	16	Berlin
17	Toronto	17	New York
18	Berlin	18	Stockholm
19	Amsterdam	19	Tokyo
20	Stockholm	20	Munich

Source: JLL: cities-research.jll.com

Other Data from JLL's City Research Project: JLL Global 300 Universe		
<i>Category</i>	<i>Tianjin's Rank</i>	<i>My Interpretation</i>
Economic Size	26	One of Tianjin's strengths is the size of its economy and population, this should lead to more future opportunities
Commercial Attraction	58	Usually weighted towards number of companies present, with Beijing so close, some firms don't open branches and Tianjin suffers in the rankings and in practice
Real Estate Investment	190	Tianjin has only recently started to build significant real estate stock, when this stock starts to get traded, Tianjin will move up the rankings
Transparency	Semi-Transparent	Not bad for a developing market, but more transparency will almost always lead to more investment, so an area for city leaders to focus on.
Source: JLL: cities-research.jll.com		

Not in the Rankings

It is important to remember that although we have increasing amounts of data about almost more things than we can imagine and we have tools to help us rank and interpret that data, sometimes that doesn't tell the whole story. Sometimes a city has a great vibe and it starts attracting a group of talented young folks who will help drive the city for the next few decades and the rankings don't seem to tell us why. Rankings may miss things that visitors and residents can feel. In the past few years visitors from Beijing have remarked to me with surprise about how much they enjoy visiting Tianjin. It may be the cool new microbrewery, a great experience at a hotel, the riverside path or the blooming roses and pear trees in spring. These things are hard to quantify, but they do in fact sometimes count.

Outlook

If research is published highlighting high performing cities and it has real data behind it, then it is worth further study. City and industry leaders need not feel bad that they don't appear at the top or even on any specific list of "leading city" reports. This is especially true for cities in China who will always be competing with Beijing and Shanghai for attention. They are both big and in Shanghai's case, globally recognized as being an exciting place to live. However, what is important, is that there are some things that all well-functioning cities need like mass transit and clean air. There are others that cities who depend upon the service sector will need like hotels, a work force and entertainment options. If city leaders want a road map for how to actually improve those specific areas, seeing which cities are doing well in these rankings can be instructive. And in Tianjin's case, AmCham China's recent white paper, although not a city ranking, did note that representatives of AmCham member companies felt the city's livability has been improving over the past several years and that should give local city leaders some confidence that they are on the right track. And in this particular case, Tianjin didn't make the cut for

innovation, but a further study of the background materials showed that Tianjin does have some things going for it and is starting to move up the rankings in some areas as long-time residents will certainly recognize.

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